

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
TRANSFERRED COMPANY SCHEME PETITION NO. 31 OF 2017
CONNECTED WITH
HIGH COURT COMPANY SCHEME PETITION NO. 234 OF 2016
JSW Power Trading Company Limited ...Petitioner/Demerged Company

AND
TRANSFERRED COMPANY SCHEME PETITION NO. 32 OF 2017
CONNECTED WITH
HIGH COURT COMPANY SCHEME PETITION NO. 235 OF 2016
JSW Green Energy Limited ...Petitioner/Resulting Company

In the matter of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between JSW Power Trading Company Limited ("Demerged Company") And JSW Green Energy Limited ("Resulting Company") And JSW Energy Limited ("Transferee Company") and their respective shareholders.

CALLED FOR HEARING

Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocate for the Petitioners in both Petitions.

Mr. Ramesh Gholap, Assistant Director in the office of Regional Director

CORAM: Shri B.S.V. Prakash Kumar, Member (Judicial)

V. Nallasenapathy, Member (Technical)

DATE: 9th March, 2017

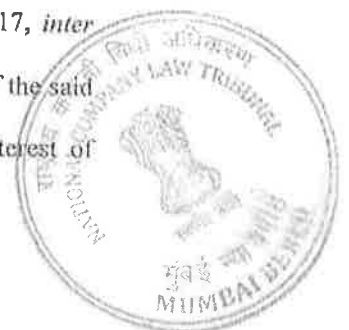
MINUTES OF ORDER

1. Heard the learned counsel for the Petitioner Companies. No objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition.
2. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to a Scheme of Arrangement between JSW Power



Trading Company Limited ('Demerged Company') and JSW Green Energy Limited ('Resulting Company') and JSW Energy Limited ('Transferee Company') and their Respective Shareholders.

3. Learned Counsel for the Petitioners states that the Demerged Company is engaged in the power trading activities. The Resulting Company has been carrying on the business pertaining to renewable energy.
4. The Petitioner Companies and the Transferee Company have approved the said Scheme of Arrangement by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.
5. The Learned Counsel appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the orders passed in their respective Company Summons for Directions Nos. 162 of 2016 and 161 of 2016.
6. The learned Counsel appearing on behalf of the Petitioners has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
7. The Official Liquidator has filed his report on 23rd November, 2016 in the Company Scheme Petition No. 31 of 2017 *inter alia*, stating therein that the affairs of the Demerged Company have been conducted in a proper manner and that the Demerged Company may be ordered to be dissolved.
8. The Regional Director has filed an Affidavit on 21st February, 2017, *inter alia*, stating therein that save and except as stated in paragraph IV of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of

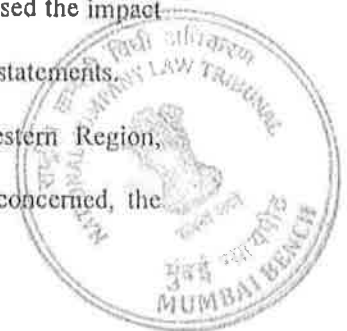


shareholders and public. In paragraph IV of the said Affidavit, the Regional Director has stated that:-

- "
- a) *In additional to compliance of AS-14 corresponding (IND AS 103) the Transferee Company shall pass such Accounting Entries which are necessary in connection with the scheme to comply with other Accounting Standards such as AS-5/corresponding IND AS-8 etc.*
 - b) *The surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to goodwill account of Transferee Company.*
 - c) *The tax implication if any arising out of the Scheme is subject to final decision of Income Tax Authorities. The approval of the Scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Transferee Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.*
 - d) *Since the Transferee Company has got several Direct/main overseas subsidiaries in Mauritius, South Africa, British Virgin Islands, UK, etc., the FEMA Regulations/RBI Guidelines if any applicable is to be complied with by the Transferee Company.*
 - e) *The Statutory Auditors of M/s. JSW Energy Limited, the Transferee Company in their report dated 27th April 2015 to the financial statements for the financial year 2014-15 have mentioned that "the company has not disclosed the impact of pending litigations on its financial statement. Refer Note 25(1)(a) to the financial statements" also to refer note-16. Company may be directed to inform this Hon'ble Court, the details of pending litigations and its impact on its financial position referred by Statutory Auditors with reference to financial statement. Note 25(1)(a) to the financial statements."*
 - f) *That in view of para 3(x) above, it is humbly submitted that Sanction of the scheme should not come in the way of any investigating agency including CBI to proceed against M/s. JSW Energy Limited the Transferee Company, in accordance with law. This Hon'ble Court may kindly direct M/s. JSW Energy Limited the Transferee Company to inform the current status of enquiry."*



9. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV(a) of his Affidavit is concerned, the Transferee Company undertakes that in addition to compliance of AS-14 corresponding accounting treatment, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme to comply with any other accounting standards.
10. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (b) of his Affidavit is concerned, the Transferee Company undertakes to pass such accounting entries as may be necessary in connection with the Scheme.
11. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (c) of his Affidavit is concerned, the Petitioner Company submits that the Petitioner Company is bound to comply with all applicable provisions of the Income-tax Act and all tax issues arising out of the Scheme of Amalgamation will be met and answered in accordance with law.
12. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (d) of his Affidavit is concerned, the Transferee Company agrees to comply with the provisions of FEMA/ RBI regulations, if any applicable.
13. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (e) of his Affidavit is concerned, the Transferee Company states that as per the Statutory Auditors report dated 27th April 2015 it is clearly stated that the company has disclosed the impact of pending litigations on its financial positions in its financial statements.
14. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (f) of his Affidavit is concerned, the



Transferee Company states that the Regional Director has mentioned about proceedings being pending against the Chairman of LIC of India for investing in IPO's of various companies and JSW Energy Limited is one of them. The Regional Director has stated that the Transferee Company should inform the current status of the inquiry. The Counsel for the Petitioner submits that the Transferee Company by their letter dated 24th February 2017 informed the Regional Director that the Transferee Company has not received any notice from CBI in respect of any inquiry into the matters mentioned by them in their report.

15. Mr Ramesh Gholap, Assistant Director in the office of Regional Director states that they are satisfied with the clarifications and undertakings given by the Petitioner Company. The undertakings given by the Petitioner Company are hereby accepted.

16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

17. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 31 of 2017 and 32 of 2017 filed by the Petitioner Companies are made absolute in terms of prayer clause (a) of the respective Petitions.

18. Petitioners are directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to physical copy, within 30 days from the date of issuance of the order by the Registry.

19. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the



purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.

20. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai and Petitioner Company in Company Scheme Petition No. 31 of 2017 to pay cost of Rs. 25,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

21. All authorities concerned to act on a certified copy of this order along with the Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai Bench.

22. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

sd/-

B.S.V. Prakash Kumar, Member (Judicial)

sd/-

V. Nallasenapathy, Member (Technical)

Certified True Copy

Date of Application 20/3/2017

Number of Pages 6

Fee Paid Rs. 30

Applicant called for collection copy on 9/12/2018

Copy prepared on 9/12/2018

Copy issued on 9/12/2018

[Signature]

Deputy Director

National Company Law Tribunal, Mumbai Bench



SCHEME OF ARRANGEMENT
BETWEEN
JSW POWER TRADING COMPANY LIMITED ('THE DEMERGED COMPANY' OR 'THE
TRANSFEROR COMPANY')
AND
JSW GREEN ENERGY LIMITED ('THE RESULTING COMPANY')
AND
JSW ENERGY LIMITED ('THE TRANSFEREE COMPANY')
AND
THEIR RESPECTIVE SHAREHOLDERS

A) Purpose of the Scheme

1. This Scheme of Arrangement ('Scheme') is presented under Sections 391 - 394 of the Companies Act, 1956 for:
 - (i) Demerger of Power Trading Business of JSW Power Trading Company Limited (the 'Demerged Company') into JSW Green Energy Limited ('the Resulting Company').
 - (ii) Merger of Remaining JSW Power Trading Company Limited with JSW Energy Limited (the 'Transferee Company')
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith

B) Parts of the Scheme

The Scheme is divided into following parts:

- (i) **Part A** deals with the Definitions and Share Capital;
- (ii) **Part B** deals with demerger of Power Trading Business of JSW Power Trading Company Limited ('the Demerged Company') into JSW Green Energy Limited ('the Resulting Company') ;
- (iii) **Part C** deals with merger of Remaining JSW Power Trading with JSW Energy Limited ('JSW Energy' or 'the Transferee Company');
- (iv) **Part D** deals with the Other Terms and Conditions.



PART A

DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1 "Act" or "the Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force and also shall mean and refer to corresponding sections of Companies Act, 2013, the rules and regulations made thereunder, as has been notified, or as and when such corresponding sections and rules and regulations will be notified, by the Central Government and as may be applicable;

1.2 "Appointed Date" means

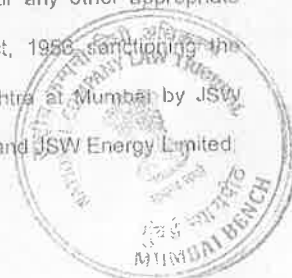
(a) Closing of business hours on 31st March 2015 or such other date as may be approved by the High Court or any other competent authority for the purposes of demerger of Power Trading Business of JSW Power Trading Company Limited into JSW Green Energy Limited;

(b) Closing of business hours on 31st March 2015 or such other date as may be approved by the High Court or any other competent authority for the purposes of merger of Remaining JSW Power Trading Company Limited with JSW Energy Limited

- 1.3 "Board of Directors" means the Board of Directors of JSW Power Trading Company Limited or JSW Green Energy Limited or JSW Energy Limited or all as the context may require and includes a committee thereof;

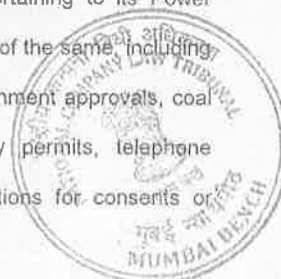
- 1.4 "Court" or "High Court" means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal if and when applicable;

- 1.5 "Effective Date" means the later of the dates on which the certified or authenticated copy of the Orders of High Court of Judicature at Bombay or any other appropriate authority under Sections 391 to 394 of the Companies Act, 1956 sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai by JSW Power Trading Company Limited, JSW Green Energy Limited and JSW Energy Limited



1.6 "Power Trading Business" shall mean undertaking, business, activities and operations pertaining to power trading and related business, and comprising of all the assets (moveable, incorporeal and immoveable) and liabilities which relate thereto, or are necessary therefor and including specifically the following:

- (a) All assets, title, properties, interests, investments, loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Demerged Company in, or otherwise identified for use in business, activities and operations pertaining to its power business, including but not limited to all land, factory building, equipments, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, cash, balances with banks, investments, all customer contracts, contingent rights or benefits, etc, pertaining to its power business (collectively, the "Power Trading Assets")
- (b) All debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), or pertaining to the Power Trading Business, activities and operations pertaining to its power business (collectively, "Power Trading Liabilities")
- (c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the undertaking, business, activities and operations pertaining to its Power Trading business or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, coal linkages, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or



extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Power Trading Business, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its power business, and all other rights, title, interests, privileges and benefits of every kind in relation to its power business (collectively, "Power Trading Contracts");

- (d) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Power Trading Business, business, activities and operations pertaining to its power business (collectively, "Power Trading IP")
- (e) all permits, licenses (including Category "I" license issued by Central Electricity Regulatory Commission (CERC), membership with India Energy Exchange (IEX) and Power Exchange of India Limited (PXIL), consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the power business (collectively, "Power Trading Licenses"); and
- (f) all such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the undertaking, business, activities and operations pertaining to the power business, at its respective offices, branches etc, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the undertaking, business, activities and operations pertaining to the power business (collectively, "Power Trading Employees");



- (g) all liabilities present and future (including contingent liabilities pertaining to or relatable to the Power Trading Business of the Demerged Company), as may be determined by the Board of the Demerged Company;
- (h) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Power Trading Business of the Demerged Company;
- (i) all books, records, files, papers, directly or indirectly relating to the Power Trading Business of the Demerged Company; but shall not include any portion of the Remaining Business of JSW Power Trading Company Limited; and
- (j) Any other asset / liability which is deemed to be pertaining to the Power Trading Business by the Board of the Demerged Company

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Power Trading Business or whether it arises out of the activities or operations of the Power Trading Business shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

1.7 "Scheme" or "the Scheme" or "this Scheme" means the Scheme of Arrangement in its present form as submitted to the High Court of Judicature at Bombay or this Scheme with such modification(s), if any made.

1.8 "The Demerged Company" means JSW Power Trading Company Limited, a company incorporated under the Companies Act, 1956 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051;

1.9 "Remaining JSW Power Trading Company Limited" means JSW Power Trading Company Limited as it stands on the Appointed Date i.e. 31st March 2015 subsequent to demerger of the Power Trading Business of JSW Power Trading Company Limited (as defined under Clause 1.6 of this Scheme of Arrangement).

1.10 "The Transferor Company" means Remaining JSW Power Trading Company Limited.



1.11 "The Resulting Company" means JSW Green Energy Limited, a company incorporated under the Companies Act, 1956 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

1.12 "The Transferee Company" means JSW Energy Limited, a company incorporated under the Companies Act, 1956 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

1.13 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay, shall be effective from the Appointed Date but shall be operative from the Effective Date.

2 SHARE CAPITAL

2.1 The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31st March 2014 is as under:

Particulars	Amount in INR Crores
Authorized Capital	
100,000,000 Equity Shares of Rs. 10 each	100.00
250,000,000 Redeemable Non- Cumulative Preference Shares of Rs. 10 each	250.00
Total	350.00
Issued, Subscribed and Paid-up	
7,00,00,000 Equity Shares of Rs. 10 each fully paid up	70.00
132,000,000 10% Redeemable Non Cumulative Preference Shares of Rs. 10 each	132.00
Total	202.00



Subsequent to the above date, there is no change in the capital structure of the Demerged Company.

- 2.2 The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 31st December 2014 is as under:

Particulars	Amount in INR
Authorized Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity shares of Rs. 10 each	5,00,000
Total	5,00,000

Subsequent to the above date, there is no change in the capital structure of the Resulting Company.

- 2.3 The authorized, issued, subscribed and paid up capital of the Transferee Company as on 31st March 2014 is as under:

Particulars	Amount in INR Crores
Authorized Capital	
5,000,000,000 Equity Shares of Rs. 10 each	5,000.00
Total	5,000.00
Issued, Subscribed and Paid-up	
1,640,054,795 Equity shares of Rs. 10 each	1,640.05
Total	1,640.05

Subsequent to the above date and as on the date of filing of draft scheme with the stock exchanges, there is no change in the capital structure of the Transferee Company.



PART B

DEMERGER OF THE POWER TRADING BUSINESS INTO THE RESULTING
COMPANY

**3.1 TRANSFER AND VESTING OF POWER TRADING BUSINESS OF THE DEMERGED
COMPANY INTO THE RESULTING COMPANY**

The Power Trading Business of the Demerged Company as defined in Clause 1.6 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

3.1.1 All Power Trading Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the Court sanctioning the Scheme and its filing with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery, or by endorsement and delivery, or by mere operation of the vesting order and its recordal or registration with the Registrar of Companies in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

3.1.2 All Power Trading Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Power Trading Business shall also be deemed to have been mutated and recorded as



titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

- 3.1.3 All immovable properties of the Power Trading Business, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Power Trading Business, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, and its filings with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the Court sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Power Trading Business in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.

- 3.1.4 All Power Trading Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company.



and the Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- 3.1.5 All Power Trading Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Power Trading Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Power Trading Business of the Demerged Company, or to the benefit of which, Power Trading Business of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, and its filing with the Registrar of Companies concerned be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is and successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the



Demerged Company relating to or benefiting at present the Demerged Company and the Power Trading Business, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the and the Resulting Company, respectively.

- 3.1.6 Any pending suits/appeals or other proceedings of whatsoever nature relating to the Power Trading Business of the Demerged Company, whether by or against such The Demerged Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Power Trading Business of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.
- 3.1.7 All the Power Trading Employees shall become employees of and be engaged by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.
- 3.1.8 All Power Trading IP including registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trade marks, appertaining to the Power Trading Business of The Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon



filing of the order of the Court sanctioning the Scheme, with the Registrar of Companies concerned.. The other intellectual property rights presently held by The Demerged Company, that relate to or benefit at present Residual The Demerged Company and the Power Trading Business, shall be deemed to constitute separate intellectual property rights and the necessary substitution/endorsement shall be made and duly recorded in the name of The Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by the Court.

- 3.1.9 All taxes (including but not limited to value added tax, sales tax, service tax and any other indirect tax etc.) payable by or refundable to the Power Trading Business of The Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Power Trading Business of The Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.
- 3.1.10 All Power Trading Licenses including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Power Trading Business of The Demerged Company, or to the benefit of which the Power Trading Business of The Demerged Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of The Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates,



certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by The Demerged Company, but relate to or benefitting the Demerged Company and the Power Trading Business, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by the Court. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of the Court sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

3.1.11 Benefits of any and all corporate approvals as may have already been taken by The Demerged Company with respect to the Power Trading Business, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 179, 180, 185, 186 and 188 etc, of the Act and Sections 293(1)(a), 293(1)(d), 295, 297 and 372A of Companies Act, 1956 read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.

3.1.12 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by The Demerged Company in relation to the Power Trading Business shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and



shall, upon this Scheme coming into effect, pursuant to the provisions of Section 39(12) and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

4 ISSUE OF SHARES BY THE RESULTING COMPANY PURSUANT TO DEMERGER

- 4.1 Upon the Scheme becoming effective and upon vesting of the Power Trading Business of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the Register of Members of the Demerged Company as on the Effective Date, his/her heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

" 1 (One) fully paid up Equity Share of Rs. 10 of the Resulting Company shall be issued and allotted as fully paid up for every 1 (one) Equity Share of Rs. 10 fully paid up held in the Demerged Company."

" 1 (One) fully paid up Preference Shares of Rs. 10 of the Resulting Company shall be issued and allotted as fully paid up for every 10 (Ten) Preference Shares of Rs. 10 fully paid up held in the Demerged Company."

- 4.2 Any fraction arising on issue of shares as above will be rounded off to the nearest integer.
- 4.3 The above Preference Shares shall be issued and allotted on the terms and conditions set out in Schedule 1 to this Scheme.
- 4.4 The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 4.5 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company.
- 4.6 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of Section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares



by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

5 ACCOUNTING TREATMENT

5.1 IN THE BOOKS OF DEMERGED COMPANY

- 5.1.1 The book value of all assets and liabilities pertaining to the Power Trading Business which cease to be the assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their book values.
- 5.1.2 The difference between the book value of assets pertaining to the Power Trading Business and demerged from the Demerged Company pursuant to this Scheme, and the book value of the liabilities pertaining to the Power Trading Business and demerged from the Demerged Company pursuant to this Scheme should be charged to the balance in the Profit and Loss Account of the Demerged Company.

5.2 IN THE BOOKS OF THE RESULTING COMPANY

- 5.2.1 The Resulting Company shall record the assets and liabilities pertaining to Power Trading Business, at the respective book values of the Demerged Company as on the Appointed Date.
- 5.2.2 The Resulting Company shall credit to the Share Capital Account in its books of account, the aggregate face value of the equity shares issued and allotted by it pursuant to this Scheme.
- 5.2.3 The Resulting Company shall credit to the Share Capital Account in its books of account, the aggregate face value of the Preference shares issued and allotted by it pursuant to this Scheme.
- 5.2.4 The excess of the value of the net assets as reduced by the face value of the shares issued by the Resulting Company pursuant to clause 5.2.2 and clause 5.2.3 above would be credited to the Capital Reserve Account of the Resulting Company. In case of there being a deficit, the same would be recorded as Goodwill in the books of the Resulting Company.
- 5.2.5 In case of any differences in accounting policies between the Demerged Company and the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Profit and Loss Account of the Resulting Company to ensure that the financial statements of Resulting Company reflect the financial position on the basis of consistent accounting policy followed by the Resulting Company.



Explanation: Net Assets Shall be computed as the difference between the book value of the assets of the Power Trading Business of the Demerged Company transferred to the Resulting Company less the book value of the liabilities of the Power Trading Business becoming liabilities of the Resulting Company.

6 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

6.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Power Trading Business and shall stand possessed of their properties and assets relating to Power Trading Business for and in trust for the Resulting Company and all the profits / losses accruing on account of the Power Trading Business shall for all purposes be treated as profits / losses of the Resulting Company.
- (b) The Demerged Company shall not utilize the profits or income, if any, relating to the Power Trading Business for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
- (c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Power Trading Business or any part thereof except in the ordinary course of its business.
- (d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Power Trading Business except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.

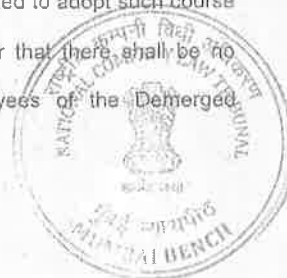
6.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.



7 STAFF, WORKMEN & EMPLOYEES

7.1 All the permanent employees of the Demerged Company engaged in or in relation to the Power Trading Business of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date. Services of the employees of the Demerged Company shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.

It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Power Trading Business for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Power Trading Business of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.



- 7.2 With effect from the first of the dates of filing of this Scheme with the High Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Power Trading Business of the Demerged Company, except with written consent of the Resulting Company.

8 LEGAL PROCEEDINGS

- 8.1 All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Power Trading Business, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.
- 8.2 After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the sub-clause 8.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 8.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 8.1 or 8.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

9 CONTRACTS, DEEDS, ETC.

- 9.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Power Trading Business of the Demerged Company, shall continue in full force and effect against or in favour of the Resulting Company and may be enforced effectively by or



against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

- 9.2 The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

10 SAVING OF CONCLUDED TRANSACTIONS

- 10.1 The transfer of of properties and liabilities under Clause 4.1 above and the continuance of proceedings by or against the Resulting Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Power Trading Business in respect thereto as done and executed on behalf of itself.

PART C

MERGER OF REMAINING JSW POWER TRADING COMPANY LIMITED OR THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

11 TRANSFER AND VESTING OF UNDERTAKING

- 11.1 With effect from the Appointed Date, Remaining JSW Power Trading Company Limited or the Transferor Company (after demerger of the Power Trading Business) including its properties and assets (whether movable tangible or intangible) of whatsoever nature including investments, shares, debentures, securities, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives if any, benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, credit for Minimum Alternate Tax, taxes deducted at source and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 and pursuant to the orders



of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date shall stand transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

11.2 The liabilities shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

11.3 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date, over the assets of the Transferor Company to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.

12. CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

12.1 The entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the share capital including authorized share capital, issued, subscribed and paid-up share capital of the Transferor Company shall stand cancelled.

12.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares / depository receipts in electronic form representing the shares held by the Transferee Company or by its wholly owned subsidiary in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company or its wholly owned subsidiary.

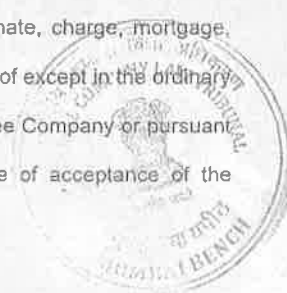
13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY



- 13.1 All assets and liabilities of the Transferor Company shall be recorded in the books of the Transferee Company at their respective fair values
- 13.2 Intercompany investments, balances and transactions, if any, shall stand cancelled.
- 13.3 The difference, being the excess of the value of the assets over the value of liabilities of the Transferor Company, after making the adjustment as mentioned above, shall be credited to the Capital Reserve Account of the Transferee Company. In case of there being a deficit, the same would be recorded as Goodwill in the books of the Transferee Company.
- 13.4 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Profit and Loss Account mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 13.5 The Board of directors of the Transferee Company may account for any of the balances in accordance with the prescribed Accounting Standards and applicable Generally Accepted Accounting Principles.

14. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 14.1 With effect from the Appointed Date and upto and including the Effective Date:
- a) The Transferor Company shall carry on and deemed to have carried on its business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
 - b) All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
 - c) The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the



Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.

- d) The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.

- 14.2 The Transferee Company shall be entitled, pending the sanction of the Scheme to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

15. STAFF, WORKMEN & EMPLOYEES

- 15.1 All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company;

It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon



the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees so transferred for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

- 15.2 With effect from the first of the dates of filing of this Scheme with the High Court and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with written consent of the Transferee Company.

16. LEGAL PROCEEDINGS

- 16.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date and relating to the Transferor Company, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Transferor Company shall be reimbursed by the Transferee Company.

- 16.2 After the Effective Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in the sub-clause 16.1 above, they shall defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.



17. CONTRACTS, DEEDS, ETC.

- 17.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Company, shall continue in full force and effect against or in favour of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 17.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
- 17.3 It is expressly clarified that upon the Scheme becoming effective all taxes payable by the Transferor Company from the Appointed Date onwards shall be treated as the tax liability of Transferee Company; similarly all credits for tax deduction at source, credit of MAT paid and advance tax paid on the income of Transferor Company shall be available to Transferee Company; or obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with as if so made by the Transferee Company.
- 17.4 All cheques and other negotiable instruments, payment orders received in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by Transferor Company for payment after the Effective Date.

18. SAVING OF CONCLUDED TRANSACTIONS



- 18.1 The transfer of properties and liabilities under Clause 11.2 above and the continuance of proceedings by or against the Transferor Company under Clause 16 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

19. WINDING UP

- 19.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

PART D – GENERAL TERMS AND CONDITIONS

20. APPLICATION TO HIGH COURT

- 20.1 The Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company shall make Applications / Petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act to the High Court for sanction of this Scheme under the provisions of law.

21. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 21.1 The Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of the Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the Hon'ble Court or any other authorities under the applicable law.



22. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to the following:

- 22.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 22.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company as may be directed by the High Court.
- 22.3 The sanction of the High Court under Sections 391 to 394 in favour of the Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company under the said provisions and to the necessary Order under Section 394 of the Companies Act, 1956 of the said Act being obtained;
- 22.4 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company, as may be applicable;
- 22.5 Requisite form in relation to Part B of the Scheme along with Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, of Maharashtra at Mumbai by the Demerged Company and the Resulting Company as may be applicable.
- 22.6 Requisite form in relation to Part C of the Scheme along with Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, of Maharashtra at Mumbai by the Transferor Company and the Transferee Company as may be applicable. Part III of the Scheme would be given effect to only after Part II of the Scheme is given effect to.

23. CHANGE OF NAME

Pursuant to the Scheme, with effect from the Effective Date and after giving effect to the Scheme in its entirety, the name of the Resulting Company will be changed to "JSW Power Trading Company Limited" and would be in deemed compliance with provision of Section 13 of the Act and Rule 29 of Companies (Incorporation) Rules, 2014.



24. **EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the jurisdictional High Court or such other competent authority and / or the Order not being passed as aforesaid before 31st March 2016 or within such further period or periods as may be agreed upon between the Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

25. **COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company, the Resulting Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.




SCHEDULE I

TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Issuer	JSW Green Energy Limited
Instrument	10% Redeemable Non Cumulative Preference Shares
Face value	Rs. 10 per Preference Share
Redemption terms	<ol style="list-style-type: none"> 1) To be redeemed at par at the end of 20 years from the date of allotment; 2) JSW Green Energy Limited will have an option to redeem the Preference Shares at any time after the end of 5 years from the date of allotment; 3) Similarly, the Preference Shareholder will have an option to seek redemption of Preference Shares at any time after the end of 5 years from the date of allotment; 4) Upon exercise of such option, the Resulting Company's liability to the Preference Shareholders shall stand extinguished from the date of dispatch of the cheques / pay order for the Redemption Amount (subject to realization).

Certified True Copy
 Date of Preparation 20/8/2017
 Number of Pages 28
 Fee Paid Rs. 140
 Applicant called for rectification copy on 9/2/2018
 Copy prepared on 9/2/2018
 Copy issued on 9/2/2018


 Deputy Director
 National Company Law Tribunal, Mumbai Bench



BEFORE THE NATIONAL COMPANY
LAW TRIBUNAL
MUMBAI BENCH
ORDINARY ORIGINAL CIVIL
JURISDICTION

TRANSFERRED COMPANY SCHEME
PETITION NO. 31 OF 2017
CONNECTED WITH
HIGH COURT COMPANY SCHEME
PETITION NO. 234 OF 2016

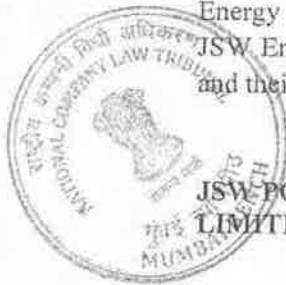
In the matter of the Companies Act, 1956 and
other relevant provisions of the Companies Act,
2013;

AND

In the matter of Sections 391 to 394 of the
Companies Act, 1956 and Sections 230 to 232
of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement
between JSW Power Trading Company Limited
("Demerged Company") And JSW Green
Energy Limited ("Resulting Company") And
JSW Energy Limited ("Transferee Company")
and their respective shareholders



**JSW POWER TRADING COMPANY
LIMITED**

..... Petitioner Company

**AUTHENTICATED COPY OF MINUTES
OF ORDER DATED 9TH MARCH, 2017
ALONG WITH SCHEME OF
ARRANGEMENT**

M/S HEMANT SETHI & CO .
Advocates for the Petitioner
1602, Nav Parmanu,
Behind Amar Cinema,
Chembur, Mumbai – 400 071
O.S.Reg. No.2822

